

NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

PO BOX 295, TRENTON, NJ 08625-0295

APPLICATION TO PURCHASE SERVICE CREDIT – UNION REPRESENTATION*Please refer to the instructions to complete the application. Please print – black ink preferred – or type.***You must submit a fully completed application to the Division within 30 days after the quarter ends. Incomplete applications will not be accepted and will not constitute a timely submission.**

1. I am a member of: *(check one only)*
- ☐ Public Employees' Retirement System (PERS)
State Employees
- ☐ Teachers' Pension and Annuity Fund (TPAF) ☐ Public Employees' Retirement System (PERS)
Local – Non-State Employees
2. Name: _____
FIRST MIDDLE INITIAL LAST MAIDEN/FORMER NAME(S) (If applicable)
3. Mailing Address: _____
STREET ADDRESS OR PO BOX CITY STATE ZIP CODE
4. Soc. Sec. #: _____ 5. Membership #: (if available) _____
6. Date of Birth: ____/____/____ 7. E-mail Address: _____
MONTH DAY YEAR
8. Home Phone #: (____) _____ Business Phone #: (____) _____
AREA CODE AREA CODE
9. Name of Employer you have taken leave from: _____
10. If you are planning to retire within the next six months, what is your tentative retirement date? ____/____/____
MONTH DAY YEAR
11. Name and Address of the Union where you are currently working (Include Local Number): _____

12. Current Quarter of Union Leave you wish to purchase: ____/20____
QUARTER YEAR
- 13a. Did you contribute to **any** pension or retirement fund, other than the PERS or TPAF, **during any Union Leave**? ☐ Yes ☐ No
- 13b. If you answered "Yes" to 13a, you must complete the following for all other funds you contributed to (e.g. 401K, 403B, 457, IRA), attach additional sheets as needed:
1. _____
NAME OF PENSION FUND TYPE OF PLAN (E.G. 401K, 401A, 403B, 457, IRA)

STREET ADDRESS OR PO BOX CITY STATE ZIP CODE
2. _____
NAME OF PENSION FUND TYPE OF PLAN (E.G. 401K, 401A, 403B, 457, IRA)

STREET ADDRESS OR PO BOX CITY STATE ZIP CODE
14. **Signature:** By signing below, I certify that I was an approved Leave of Absence from my public position and I worked at the Union listed above for the entire time frame that I seek to purchase.

SIGNATURE OF MEMBER____/____/____
DATE*Please return the completed Application to Purchase Service Credit to the above address, Attention: Purchase Section.*

CHAPTER 198, P.L. 1989 & CHAPTER 368, P.L. 2005 UNION LEAVE INSTRUCTIONS

ELIGIBILITY

Chapter 198, P.L. 1989 and Chapter 368, P. L. 2005, permits members of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) on an approved leave of absence as an elected or appointed officer or representative of a local, county, or State labor organization which represents public employees — and who has not received TPAF or PERS service credit for that period of time — to purchase pension service credit for such service.

INSTRUCTIONS

- ◆ To purchase leave of absence as a union officer or representative complete and submit all required documents to the Purchase Section of the Division of Pensions and Benefits within 30 days after the quarter ends. For example: The 1st Quarter covers January 1st through March 31st. **Therefore, the documents must be received no later than April 30th.**

Faliure to submit all required documents timely will irrevocably void any eligibility for this quarter under the Leave of Absence - Union Representation Laws. The required documents can be found on the Division's Web site at: ***www.state.nj.us/treasury/pensions***

- *Application to Purchase Service Credit – Union Representation*
 - *Employer Verification of Leave of Absence for Union Representation* ¹
 - Payment in Full (check, money order, or cashier's check) made out to the correct pension fund (TPAF or PERS).
- ◆ Service purchased under the provisions of Chapter 198 and Chapter 369 must be purchased through a lump-sum payment (no payroll deductions are allowed).
 - ◆ Members must pay the full cost (employee contributions and employer appropriations) to purchase the service credit.

Employer appropriations are actuarially determined for each Fiscal Year (July – June).

For example: A TPAF/PERS member purchasing the union leave for any quarter must include the purchase application and a lump-sum payment. To calculate the lump-sum payment for a member who would be making \$40,000 per year at the public position that they are on leave from, the member must use the purchase rate (found at the Division's Web site) and make the following calculation:

State 12 – Month Members

| | | | |
|--------------------------------|--------------------|--|--------------------|
| Employee Rate | 5.50% | Annual Salary (<i>public employment</i>) | \$40,000.00 |
| Employer Rate ² | + 16.78% | Quarters per Year | ÷ 4 |
| Purchase Rate | 22.28% | Quarterly Salary for Purchase | \$10,000.00 |
| Quarterly Salary for Purchase | \$10,000.00 | | |
| Purchase Rate ² | X 22.28% | | |
| Quarterly Purchase Cost | \$ 2,228.00 | | |

¹The Employer Verification form is required when a member makes the first union leave purchase request of each calendar year (January – December).

²This rate varies from year to year and is subject to change by the actuary in the 3rd quarter of each calendar year.

Local Non-State 12 – Month Members

| | | | |
|--------------------------------|--------------------|--|-------------|
| Employee Rate | 5.50% | Annual Salary (<i>public employment</i>) | \$40,000.00 |
| Employer Rate ² | + 11.05% | Quarters per Year | ÷ 4 |
| Purchase Rate | 16.55% | Quarterly Salary for Purchase | \$10,000.00 |
| Quarterly Salary for Purchase | \$10,000.00 | | |
| Purchase Rate ² | X 16.55% | | |
| Quarterly Purchase Cost | \$ 1,655.00 | | |

TPAF 10 – Month Members

| | | | |
|---|-----------------------------|---|------------------|
| Employee Rate | 5.50% | Annual Salary (<i>public employment</i>) | \$40,000.00 |
| Employer Rate ² | + 19.11% | Months per Year ³ | ÷ 10 |
| Purchase Rate | 24.61% | Monthly Salary for Purchase | \$ 4,000.00 |
| 1 st , 2 nd , and 4 th Quarter Salary for Purchase | \$ 4,000.00 x 3 = 12,000.00 | 3 rd Quarter Salary for Purchase | \$4,000.00 |
| Purchase Rate ² | X 24.61% | Purchase Rate ² | X 24.61% |
| Quarterly Purchase Cost | \$ 2953.20 | Quarterly Purchase Cost | \$ 984.40 |

To complete the purchase, the member must submit the required forms and a check for the Quarterly Purchase Cost amount, made payable to the TPAF or PERS no later than 30 days after the quarter ends (January 31st, April 30th, July 31st, October 31st).

- ◆ PERS members who are police officers or firefighters are excluded from the provisions of this law.
- ◆ All other rules and provisions for the purchase of TPAF or PERS service credit apply.
- ◆ If you have additional questions regarding Chapter 198 or Chapter 368, contact the Division's Office of Client Services at (609) 292-7524, or e-mail the Division at: pensions.nj@treas.state.nj.us

NOTES:

Purchases of other non-union leave service credit is allowed while on union leave. Since members are off payroll, only lump-sum payments are allowed. Purchase applications must be in writing and applications sent directly to the Purchase Section Supervisor.

Currently scheduled arrears deductions cannot be paid except in a lump-sum payoff. If the member does not return to payroll within two years of the union leave start or July 1, 2010, whichever is later, the arrears deductions will be cancelled and a pro-ration of purchase service will be made. Please contact the Adjustment Section Supervisor in writing for further details or a payoff figure.

Pension loan balances cannot be paid with a union leave purchase payment. Any pension loan payments must be remitted directly to the Loan Section Supervisor. If no pension loan payment is received for 6 consecutive months, the loan balance is considered a taxable distribution by the IRS. Please address any questions on the pension loan process directly to the Loan Section Supervisor.

Pension Life Insurance Coverage:

Members who have Non-Contributory Group Life Insurance will have their coverage remain in effect for 93 days while on approved union leave.

For members with Contributory Group Life Insurance, members are covered for the first 31 days of retirement. To continue Contributory Group Life Insurance, for an additional 2 months after the 31-day grace period, a separate personal payment may be made directly to the Division within 31 days of the start of union leave. Direct payment may be made using the *Personal Insurance Contribution Remittance* form.

Group Life Insurance can be converted directly with Prudential within 31 days after termination of the extended life insurance coverage. Please see Fact Sheet #13, *Conversion of Group Life Insurance*, at the Division's Web site: www.state.nj.us/treasury/pensions/epbam/exhibits/factsheets/fact13.pdf

²This rate varies from year to year and is subject to change by the actuary in the 3rd quarter of each calendar year.

³Members who report on a 10 month schedule are credited with July and August upon the purchase of September.